



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
C0250005
#3791
K

June 30, 2011

Kirk Nicholes
Alton Coal Development, LLC
463 North 100 West, Ste. 1
Cedar City, Utah 84720

Subject: 2010 Annual Report Review Completion, Coal Hollow Mine, C/025/0005, Task ID #3791

Dear: Mr. Nicholes:

The Division staff has completed the review of the 2010 Annual Report. Enclosed is a copy of the review with each reviewer's comments completed on June 28, 2011. Please submit 4 copies of the following items as separate applications with a C1/C2 form for approval and incorporation into the official mining and reclamation plan by July 30, 2011.

- In accordance with R645-301-521, please resubmit the mine workings map, including the five-year mining projection for incorporation into the M&RP. Please note, that recent changes in pit sequence impact MRP Drawing 5-38 Reclamation Sequence, which may need to be updated accordingly.

Thank you for your diligence in completing the Annual Report. If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/sqs
Enclosure

cc: Price Field Office

O:\025005.COL\WG3791\Coal Hollow 2010 Annual Report ReviewCompletionLetter.doc



[Submit by Email](#)[Print Form](#)[Reset Form](#)

Annual Report

Date

6/30/11

This Annual Report shows information the Division has for your mine. Submit the completed document and any additional information identified in the Appendices to the Division by **March 31, 2011**. During a complete inspection an inspector will check and verify the information.

GENERAL INFORMATION

Company Name Alton Coal Development, LLC

Mine Name

Coal Hollow Mine

Permit Number C0250005

Permit expiration Date

2015-11-08

Operator Name Kirk Nicholes

Phone Number

+1 (435) 867-5331

Mailing Address 463 North 100 West Suite 1

Email

City

Cedar City

State

UT

Zip Code

84720

CERTIFIED REPORTS

DOGM File Location or Annual Report Location

Excess Spoil Piles

☐ Required☒ Not Required

Refuse Piles

☐ Required☐ Not Required

Impoundments

☐ Required☒ Not Required

Impoundment report is anticipated to be complete by early April.

Other:

OPERATOR COMMENTS

REVIEWER COMMENTS



Met Requirements



Did Not meet Requirements

Mine Site has just recently begin operations. Reports should begin in 2011.

COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the MRP and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If additional written response is required, it should be filed as an attachment to this report.

Title: Topsoil and Subsoil Salvage

Objective: Monitor topsoil and subsoil salvage by suitability criteria and depth described in Appendix 2-1, Table 4-1

Frequency: During operations

Status: long term

Reports: Keep tally of volumes salvaged, stockpiled, livehauled.

Citation: MRP, Volume 1, Chap. 2, Section 231.100, Section 232.100 and Appendix 2-1, pg. 4-2).

OPERATOR COMMENTS

218,735 Cubic yards (c.y.) of topsoil were removed, 25,289 c.y. was placed in Topsoil Pile #1, 137,021 c.y. was placed in Topsoil Pile #2 and 56,425 c.y. was placed in Topsoil Pile #3. 73,070 c.y. of subsoil were removed, all of which were placed in the subsoil Pile. No topsoil was live hauled in 2010. 152 acres of topsoil was removed in 2010, soil samples were collected.

REVIEWER COMMENTS



Met Requirements



Did Not meet Requirements

4/18/2011 Priscilla Burton reviewed this annual report. Per email communication with Kirk Nicholes (4/5/2011), the 4th quarter 2010 and 1st quarter 2011 topsoil and subsoil soils analysis are forthcoming as an addendum to the MRP. See inspection report #2696 for site conditions at the end of the 1st quarter 2011.

Title: Developing the Hoyt's Ranch Connectivity Corridor

Objective: To reestablish connectivity between the Alton and near by Hoyt's Ranch sage grouse populations.

Frequency: NA

Status: Ongoing, radio collared birds from the Hoyt's Ranch population have been using the corridor in 2008, 09, 10.

Reports: Annual summary of work completed to date

Citation: MRP, Vol. 2, Chapter 3, Appendix 3-5 page 4

OPERATOR COMMENTS

Work shown as "Proposed Treatment 2010" in Figure 2 of the "Greater Sage-grouse and Habitat Improvement Progress Report" submitted to DOGM October 8, 2010 was completed in 2010.

REVIEWER COMMENTS



Met Requirements



Did Not meet Requirements

Joe Helfrich, 6/28/2011: The report referred to above was saved in the 2010 Incoming folder as 10112011.pdf. The permittee needs to submit a revision to "The Greater Sage Grouse Habitat Improvement Progress Report" noting that the work in the proposed treatment area for 2010, (figure 2), has been completed.

Priscilla Burton, 6/30/2011: The Permittee has indicated that the proposed work is completed. I suggest that rather than require

modification of the consultant's report, the Division might field check the areas shown as "proposed for completion" on Figure 2 . The Division's field report would be sent to file and serve as confirmation of the work completed.

Title: Sage Grouse Conservation Area

Objective: To protect and develop a 72 acre parcel of sage grouse habitat.

Frequency: NA

Status: Ongoing

Reports: Annual summary of work completed to date

Citation: MRP, Vol. 2, Chapter 3, Appendix 3-5 page 5

OPERATOR COMMENTS

Work completed on the Conservation Area was reported to DOGM in a letter dated October 27, 2010.

REVIEWER COMMENTS



Met Requirements



Did Not meet Requirements

Joe Helfrich, 6/28/2011: The permittee has disked a 40 acre parcel of sage brush as noted in the MRP and correspondence. The area needs to be surveyed for percent cover of sage brush, (the goal is 25%), and species composition in 2011.

Title: Reduction of Juniper Trees Within Key Habitats of the Alton Area

Objective: To reduce raptor and raven perches and increase sage grouse habitat.

Frequency: NA

Status: Completed in 2006

Reports: Annual summary of utilization for nesting and brood rearing.

Citation: MRP, Vol. 2, Chapter 3, Appendix 3-5 pages 7-10

OPERATOR COMMENTS

DWR would have this information along with its monitoring data in connection with Sage grouse monitoring commitment below. Areas cleared in the sage grouse conservation area were disked in October 2010, a nesting and brood rearing season since has not occurred.

REVIEWER COMMENTS



Met Requirements



Did Not meet Requirements

Joe Helfrich, 6/28/2011: As noted in the operator comments this work was completed in 2006, although DWR does not have any data that the Division is aware of it was estimated that 8,000 juniper trees were removed and the slash piles were burned.

Title: Restoration of Sagebrush Habitat

Objective: To reduce the sagebrush density to 25% cover.

Frequency: NA

Status: Mosaic of areas disked and seeded fall of 2010

Reports: Annual summary of work completed to date

Citation: MRP, Vol. 2, Chapter 3, Appendix 3-5 page 11

OPERATOR COMMENTS

Approval for mining was recieved November 10, 2010, construction activities were in progress the remainder of 2010 and there was no reclamation completed in 2010.

REVIEWER COMMENTS



Met Requirements



Did Not meet Requirements

Joe Helfrich, 6/28/2011: The operator's comments are not relevant to this commitment. This was done in conjunction with the 72 acre conservation area commitment. The proposed area to be disked was inspected on September 30th, 2010 by Chris McCourt, Kirk Nicholes and Joe Helfrich. The area was disked in October of 2010.

Title: Lek Management

Objective: To attract birds to an alternate lek during active mining operations.

Frequency: NA

Status: Ongoing each spring during active mating periods

Reports: Annual summary of work completed to date

Citation: MRP, Vol. 2, Chapter 3, Appendix 3-5 page 11

OPERATOR COMMENTS

The sage grouse mating season is a springtime activity beginning in March and continuing into May, as no areas were disturbed until after approval for mining was received in November, there were no efforts to encourage sage grouse to a new location.

REVIEWER COMMENTS



Met Requirements



Did Not meet Requirements

Joe Helfrich, 6/28/2011: The operator's comments are not relevant to this commitment. The alternative lek site will not be disturbed by mining activities. The decoy concept was to be implemented each spring during active mating periods to attract birds away from the lek that would be mined through. The theory being that when the company mined through the lek the birds would have some fidelity or confidence in moving to the alternative lek. The permittee needs to submit the decoy data from the 2010 breeding season.

Priscilla Burton, 6/30/2011: The Permittee has met the requirements of App. 3-5, p. 11, because the permit was not issued until after the mating season in 2010 and because this section does not require the Permittee to collect decoy data. Although the intention may have been to require the collection of decoy data, this section was not worded as such, so that those intentions were lost on the Permittee. This section of App. 3-5 does discuss the use of decoys and states that ACD will notify UDOGM in writing 30 days prior to beginning the decoying.

Title: Sage Grouse Monitoring

Objective: To monitor the population densities at the hoyt's ranch and Alton leks and migration patterns in between as long as the birds are living.

Frequency: NA

Status: Ongoing, meet with DOGM 6 months prior to mining through the lek to discuss minimizing impacts to the birds.

Reports: Annual summary of work completed to date

Citation: MRP, Vol. 2 Chapter 3, Appendix 3-5 page 13

OPERATOR COMMENTS

A preliminary report by Dr. Steven Peterson was sent to the Division including monitoring data at Hoyt Ranch and Alton Lek. Alton Coal Development did not make notification to DOGM in 2010, due to the fact that mining through the lek will not occur until late in year 2 or possibly early year 3 of mining.

REVIEWER COMMENTS

Met Requirements



Did Not meet Requirements

Joe Helfrich, 6/28/2011: It should be noted that mining through the lek until late in year 2 or possibly early year 3 of mining has no bearing on the submission of monitoring data to date. As mining progresses the areas selected for trapping and monitoring may change.

Title: Predator Control

Objective: To effectively manage predators and increase the population of birds at the Alton lek.

Frequency: Annually

Status: Completed for 2010

Reports: Annual summary of work completed to date

Citation: MRP, Vol. 2, Chapter 3, Appendix 3-5 page 13

OPERATOR COMMENTS

Alton Coal's involvement in predator control was included in the "Greater Sage-grouse and Habitat Improvement Progress Report" submitted to DOGM October 8, 2010. Also, attached is an email from Wildlife Services summarizing success for their 2010 activities.

REVIEWER COMMENTS

Met Requirements



Did Not meet Requirements

Joe Helfrich, 6/28/2011: The "E" mail from Wildlife Services and the progress report describe the results of the predator control efforts at or near the mine for 2010. The permittee had contracted 6,000 dollars for the predator control.

Priscilla Burton 6/30/2011: The "Greater Sage-grouse and Habitat Improvement Progress Report" is filed in the 2010 Incoming folder as 10112010.pdf.

Title: Wildlife Awareness Program

Objective: To provide protection for the resident wildlife and minimize impacts, (collisions), from vehicles and heavy equipment.

Frequency: Continuous and as needed for new employees throughout the life of the mine.

Status: Ongoing from the onset of mining activities.

Reports: Annual, log of road kills for deer, elk, sage grouse and domestic livestock from the mine site to highway 89

Citation: MRP, Vol. 2, Chapter 3, pages 3-54, 55

OPERATOR COMMENTS

Periodic safety meetings. No road kill was logged by mine related traffic between the mine site and highway 89.

REVIEWER COMMENTS



Met Requirements



Did Not meet Requirements

Joe Helfrich, 6/28/2011: The permittee needs to keep a log or record of employee awareness meetings and submit that data to the Division in the 2011 annual report.

Title: Water Replacement Well

Objective: Alton Coal Development, LLC commits to having the water-replacement well (or other appropriate water replacement source as approved by the Division) drilled and developed before beginning overburden removal for Pits 13, 14, and 15."

Frequency: one time, when needed

Status: pending

Reports: Please report status of well and/or target date for overburden removal in annual report.

Citation: MRP, Volume 7, Chap. 7, Sec. 731.530, pg. 7-59

OPERATOR COMMENTS

The water replacement well which will be used for dust control also was drilled in October of 2010. Its function as a water replacement well does not occur until overburden removal on pits 13, 14, and 15 which were not mined in 2010.

REVIEWER COMMENTS



Met Requirements



Did Not meet Requirements

(Jim Smith, 18 April 2011) The pressure gauge on the capped well showed ~5 psi when inspected on 16 December 2010.

Title: Update Appendix 7-1

Objective: As additional hydrologic and hydrogeologic data become available, update Appendix 7-1 to reflect the new information.

Frequency: Periodically, as additional hydrologic and hydrogeologic data become available; however, it is not clear that this was intended to cover the Operation phase or just the Development stage.

Status: pending

Reports: Please explain in annual report which phases this was intended to cover.

Citation: MRP, Vol. 7, Chap. 7, Appendix 7-1, pg. 1, Note

OPERATOR COMMENTS

The statement was intended for no other purpose than to reserve the right to revisit the PHC and its conclusions if the monitoring data warranted it. No such circumstances arose during 2010.

REVIEWER COMMENTS



Met Requirements



Did Not meet Requirements

(jim Smith, June 16, 2001) The Division is not aware of any hydrologic information obtained in 2010 other than regular monitoring results, and nothing in those data suggest a need to update the MRP.

Title: Review and Evaluate the Facilities Spill Plan (Appendix 7-5)

Objective: To ensure the accuracy of the Facilities Spill Plan and to determine if additional or more effective spill prevention and control technology that is applicable to the facility must be added.

Frequency: At least once every five years

Status: Pending

Reports: Completed Plan review forms will be in Appendix B of Appendix 7-5

Citation: MRP, Vol. 7, Chapter 7, Appendix 7-5, Section 2.2 PLAN REVIEW, pg. 2,

OPERATOR COMMENTS

A review of the spill plan is required every five years. The first such review is due in 2014.

REVIEWER COMMENTS



Met Requirements



Did Not meet Requirements

(18 April 2011, Jim Smith) There was no Spill Plan (Appendix 7-5) in the "Official" MRP in the PIC; a copy of Appendix 7-5 was printed from M:\FILES\COAL\PERMITS\025\C0250005\2009\INCOMING\10152009\COAL HOLLOW MRP VOL 1-8\VOLUME 7.pdf and inserted into the PIC MRP.

The following commitments are not required for the current annual report year, but will be required by the permittee in the future as indicated by the Status item. These commitments are included for information only, and do not currently require action.

Title: Restoration of Lekking Habitat

Objective: To restore the original lek at the end of mining activities.

Frequency: NA

Status: Restoration of the lek will begin at final reclamation

Reports: Annual summary of work completed to date as reclamation begins.

Citation: MRP, Vol. 2, Chapter 3, Appendix 3-5 page 12

OPERATOR COMMENTS (Optional)

Title: Reclamation Timetable

Objective: To ensure timely reclamation

Frequency: No more than 40 acres to be disturbed at any given time.

Status: Ongoing

Reports: Annual summary of work completed to date

Citation: MRP, Vol. 2, Chapter 3, page 56

OPERATOR COMMENTS (Optional)

REPORTING OF OTHER TECHNICAL DATA

List other technical data and information as required under the approved plan, which must be periodically submitted to the Division. Specify whether the information is included as an attachment to this report or currently on file with the Division.

Please List Attachments:

REVIEWER COMMENTS ☐ Met Requirements ☐ Did Not meet Requirements

LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

The Division is Requesting that each Permittee review and update the legal, financial, compliance and related information in the plan as part of the annual report. Please provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other change as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include certified financial statements, audits or worksheets, which may be required to meet bonding requirements. Specify whether the information is currently on file with the Division or included as an attachment to the report.

LEGAL/ FINANCIAL UPDATE

Included

DOGM File Location or Annual Report Location

Updated

☐

updated information was submitted to the Division December 30, 2010 of a change in management, which is found in DOGM online file system at C0250005/2011/INCOMING/01032011.pdf.

☐☐☐

REVIEWER COMMENTS

☒

Met Requirements

☐

Did Not meet Requirements

Changes in ownership were approved on February 24, 2011 and are now included in MRP Chapter 1.

MAPS

Copies of mine maps, current and up-to-date through at least December 31, 2010, are to be provided to the Division as an attachment to this report in accordance with the requirements of R 645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential.

Map Name	Map Number	Included		Confidential	
		Yes	No	Yes	No
Annual Mine/Reclamation Area Map	Figure 7	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

REVIEWER COMMENTS ☒ Met Requirements ☐ Did Not meet Requirements

Mine map (stamped and certified on 3/17/2011) is included. The map shows the future pit extraction locations. The cover letter asked for five year projection. This map is probably inclusive of five years, however it is not broken down by year what is planned for each year. Five year mining projections and pit sequence will impact MRP Drawing 5-38.

OTHER INFORMATION

Please provide any comments of further information to be included as part of the Annual Report. Any other attachments are to be provided as an attachment to this report. If information is submitted as a group rather than by individual mine, please identify each of the mine's data in the list below.

Please List Attachments:

REVIEWER COMMENTS